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WEST AFRICA TRADE AND INVESTMENT HUB

PROGRAM FOR EXPANDING APPAREL EXPORTS AND TECHNICAL ASSISTANCE, JUNE 2016

MISSION REPORT 2

Contract No.: AID-624-C-13-00002-00

June 28, 2016

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DISCLAIMER

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ACRONYMS

ACMCI	Association de Couturiers et Modelistes de Côte d'Ivoire
ADCI	Agence pour le Development et la Competitive des Industries de Cote
AGAM	Association of Ghana Apparel Manufacturers
AGOA	African Growth and Opportunity Act
ANC	Africa New Confection
APEX-CI	Export and Promotion Agency – Côte d'Ivoire
AVCS	Apparel Value Chain Specialist
AVCA	Apparel Value Chain Advisor
CEPICI	Centre de Promotion des Investissements en Côte d'Ivoire
CMT	Cut, make and trim
CNE	Conseil National des Exportations
COTVET	Council for Technical and Vocational Education & Training
EDAIF	Export Trade, Agricultural & Industrial Development Fund
EFI	Ethical Fashion Initiative
EAA	Ethical Apparel Africa (formerly MiA – Made in Africa)
FDI	Foreign direct investment
FITTHA	Fédération Ivoirienne des Industries Textile, de l'Habillement et des Accessoires de mode
F2F	Fibre2Fashion
GEPA	Ghana Export Promotion Authority
GFZB	Ghana Free Zone Board
GIPC	Ghana Investment promotion Centre
GoRCI	Government of the Republic of Côte d'Ivoire
ITC	International Trade Centre
MSME	Component of MOTI in 2011 – 2012 that supported micro, small and medium enterprises through a matching Grant Fund of the World Bank
MOTI	Ministry of Trade and Industry (Ghana)
RCI	Republic of Côte d'Ivoire
TOR	Terms of reference
USAID	United States Agency for International Development
WB	World Bank

I. REPORT OF ACTIVITIES

I.1 PROJECT OBJECTIVES

USAID/West Africa's mission-wide goal is the West African led advancement of social and economic well-being. This goal is supported by several development objectives, including "broad-based economic growth and resilience advanced through West African partners." The West Africa Trade and Investment Hub (the "Trade Hub") contributes to this development objective by achieving two critical intermediate results:

- 1) Improving the capacity of West Africa's farmers and firms in targeted regional and global value chains.
- 2) Improving the business enabling environment by addressing transport constraints and trade barriers affecting the efficiency of the region's corridors and borders.

The Trade Hub works through regional private sector associations and regional governmental entities to help channel partners' efforts to address critical constraints to trade competitiveness, capture opportunities to expand regional and global trade, demonstrate West Africa's productive potential to investors, and facilitate greater investment in the region.

The project is building the capacity of several key groups of African partners—regional private sector associations and alliances, the Economic Community of West African States (ECOWAS), and the Economic and Monetary Union of West Africa (UEMOA). As the Trade Hub works with associations and regional alliances, it helps them serve as leaders in promoting reforms, attracting buyers and investors, and adopting improved practices.

The Trade Hub's major components are:

- Regional staple foods development (livestock and grains)
- Global value chain development (targeted agro-processing and manufactured consumer goods)
- Finance and investment
- Transport and the trade enabling environment
- Capacity building
- Communications
- Administration and management, including grants administration

I.2 CONTEXT FOR THIS ASSIGNMENT

AGOA's extension for the next 10 years holds significant importance for apparel export manufacturing factories in Africa. This is especially true in West Africa, where countries have not yet taken full advantage of the opportunities this trade agreement offers.

In Ghana, the Trade Hub was instrumental in helping revive the Association of Ghana Apparel Manufacturers (AGAM), which is now advocating to the Ghana Ministry of Trade and Industry (MOTI) and its agencies. The Trade Hub was also instrumental during fiscal year (FY) 2015 in working with the government to ensure it met its commitments with Dignity/Do the Right Thing Apparel (DTRT) for training funds, enabling DTRT to maintain and grow its work force.

During FY2015, Trade Hub engaged with the Government of Ghana on the status of the apparel sector locally and internationally and was instrumental in helping the government to define an apparel sector strategy. The actions needed to prepare Ghana for apparel sector growth are clearly recognized—notably ensuring the availability of service factory space. The Trade Hub’s continued engagement with the apparel value chain in Ghana depends, in large measure, on the government’s readiness to take action to implement the sector strategy. Once key constraints are addressed, the Trade Hub will work with Ghanaian agencies to identify and attract potential new investors. There are signs that forward progress is being made.

In Benin, the Trade Hub was instrumental in assisting the government to revise its strategy to focus on the apparel (vs. textiles) sector, and has provided assistance to Benin-based apparel firm Africa New Confection (ANC), helping it to emerge as an effective champion to export capability development. In Côte d’Ivoire, the Trade Hub commenced a dialogue and industry assessment with the government and apparel companies.

1.3 INTRODUCTION

Unfortunately, this report must begin with the sad news of Joop de Voest’s passing, the previous Apparel Value Chain Adviser (AVCA) for the Trade Hub. Joop was an institution in the textile and apparel manufacturing industry across the Africa continent. He knew almost every company, its history, and its management team. He also knew other key players within government ministries, associations, international donors and other organizations in or directly involved with the textile and apparel sector.

In January 2016, the Trade Hub recruited apparel and textile expert Ben Coes to serve as a replacement AVCA, initially on a temporary basis. Ben was strongly recommended by Joop, with whom he worked for many years.

On news of Joop’s passing, Ben stated: “I cannot replace Joop as a person, although we have worked many years together... It was a privilege to work with Joop all these years and I will do my level best to work with Trade Hub staff to reach results that would make Joop proud.”

This trip was mainly focused on the Republic of Côte d’Ivoire (RCI). Prior to the trip, the Trade Hub team in Abidjan had already made good progress on the AVCA’s recommendations from 2014 and 2015. In addition, the Abidjan-based team had started working with RCI’s textile industry, which the AVCA and AVCS had not yet started.

The AVCA spent June 13 – 15 in Accra, and June 16 – 23 in RCI before returning to debrief in Accra on June 24, 2016.

The objectives listed below were originally planned for the previous Mission, but became objectives for the second Mission when a terror attack delayed the AVCA’s trip to RCI:

- Together with the EAA, define a strategic approach to encourage the Government of Côte d’Ivoire to support identified apparel manufacturing factories.
- Together with the Trade Hub apparel team, visit Abidjan to (1) in the apparel sector, gain familiarity with ongoing sector activities and meet key stakeholders; and (2) in the textile sector, carry out preparation to a more detailed study of the sector by establishing contacts and relationships that will facilitate the study.

Though the focus of the second Mission was on RCI, it also included the objective of following up with key government agencies and other stakeholders in Ghana.

1.4 GHANA

1.4.1 COMPANIES VISITED

1.4.1.1 Anowah Afrique (Tema)

While in Ghana, the AVCA met with Anowah Afrique, which has taken over the two buildings formerly occupied by 1888. The equipment for its sewing operation is still being set up, but it will soon start producing uniforms. Nearly 300 sewing machines are being installed and another 700 are still in customs at the port of Tema. The owner, Mrs. Catherine Coffie, is very ambitious, wanting to address a number of issues in a short period of time.

Her current issues include:

- She is not satisfied with two expatriate technical staff members and wants to replace them as soon as possible. She will need support to recruit new technical staff.
- The company lacks a production planning system. The AVCA will establish contact with an IT supplier of a cloud-based garment manufacturing planning system.
- The company needs assistance to recruit and train new sewing operators.
- The production lines need to be reorganized. Workers sit face-to-face, which hinders the constant flow of panels and negatively impacts efficiency. Instead, workers should sit in a line, with each operator facing the back of the person in front of him or her—a set up common for efficient production lines. This set up can be put in place quickly as the necessary space and infrastructure are already available.

Mrs. Coffie stated that the two production halls will need some renovations to meet basic corporate social responsibility standards. **The AVCA recommended that these renovations occur immediately since there are only small orders in production at the moment.** Anowah Afrique can use that time to hire new technical staff and recruit and train new workers.

1.4.1.2 MOTI (Accra)

The AVCA and AVCS met with Mr. Ben Heh, MOTI's Director of Industrial Development, MOTI's Technical Advisor for Export Trade Development.

Following the AVCA's previous mission, Mr. Kofi, former MOTI Director of Manufacturing, retired, and Mr. Ben Heh took over his position. During the last mission, Mr. Kofi stated he was well aware of the lack of skills among the Ghanaian apparel sector workforce. He knew not all professionally-trained workers can find job opportunities in export-driven organizations, and small local manufacturers also need skilled workers. He was a strong promotor of establishing regional training centers throughout the country, and supported a second phase for the Ethical Fashion Initiative (EFI). However, Mr. Kofi's successor, Mr. Heh, was not aware of these plans and ideas. Thus, we do not expect much progress to be made in the near term.

It is known, however, that the Ministry of Labor has substantial funds available for training purposes. **The AVCA and AVCS want to propose the creation of a team of technical experts called**

the “flying training squad.” Instead of providing so-called technical assistance, this team would focus on delivering on-the-job training services. The AVCA and AVCS have established contact with the Ministry of Labor to propose the idea and expect the first high-level meeting to take place soon.

The AVCA and AVCS discussed the possibility of also involving the Ministry of Education as a partner in this initiative, as it may be willing to contribute additional funds to this initiative. It was agreed that the AVCS will take the necessary steps to quickly facilitate this process.

The AVCA and AVCS also had a second short meeting with Mr. Gerald Nyarko-Mensah regarding the allocation of space to DTRT, though Mr. Nyarko-Mensah had not been able to make concrete progress since the previous meeting in March, 2016.

DTRT finally made an agreement with Rim Artex to rent the ground floor of its factory space, as Rim Artex is not currently working on any export orders. This will satisfy DTRT’s most urgent need for space. DTRT plans to install another 500 sewing machines in the coming months, which will position it to start producing for Reebok. DTRT also plans to employ about 3,000 workers in total by the end of 2018.

1.5 CÔTE D’IVOIRE

The Ivorian apparel and textile industry situation is complicated. During the 1970s and 80s, the Government of RCI (GoRCI) constructed large sites to process locally produced cotton based on the socialist government model, particularly in Bouake. These factories are generally huge complexes with a large capacity, but almost no flexibility in the quantity or variety of products produced; however, installed equipment is considered modern and efficient, hailing from either Europe or Japan.

The Ivorian Civil Wars in the early 2000s were disastrous for the country’s population and industries, including the textile and apparel industry. Many textile factories have not been operational for 8-10 years, although there are a few exceptions. Some factories have restarted production with existing equipment and limited financial resources. To privatize and modernize the operational factories and their buildings, it will cost a large amount of funding—including installing modern air conditioning needed to maintain today’s equipment, which is sensitive to humidity and temperature changes.

Two years ago, the GoRCI announced it would like to focus on seven main industry sectors to establish economic growth, including the textile and apparel sector.

After meeting with key players in the GoRCI—including members of the Chamber of Commerce and Industry, Chamber of Professionals, and the Ministry of Industry and Commerce—the Trade Hub team realized they cannot differentiate between artisanal/atelier apparel manufacturing and mass production for exports. Companies that could move into mass production with the proper support are not receiving the required assistance from the government. The Export Promotion Agency is unaware of the apparel industry’s structure, as well as the number of Ivorian semi-vertical commercial textile and garment manufacturers that cannot export due to a lack of infrastructure and financial impediments.

Previously, the apparel industry received direction from the ITC and UNIDO training programs (called PACIR); however, they have had little impact because of a “tailoring mentality” and an unwillingness of many artisanal/atelier producers to change production techniques. Most training from these programs

was done in-house, even though these companies do not have space for a full, mass commercial garment production line or the possibility of accessing finance.

Greenfield investments are required for any serious investments in RCI's textile industry, and factories need to become vertically integrated from yarn to finished garment. There is a stand-alone African print mill that is operational, but like most others in West Africa, it faces a diminishing market with intense competition from Asia. The knitting industry will form part of the garment industry, since it is semi-vertical.

With significant technical support in various areas, one garment manufacturer—O'sey—should be able to start working on its first export test order in approximately 8-9 months. **The Trade Hub apparel team must quickly identify the types of support so O'sey can achieve this goal.**

The first steps will be to arrange a meeting between the Trade Hub's financial expert and the company's owner to initiate meetings with a number of commercial banks in Abidjan. During these meetings, the company will present investment plans and request finance to finish the construction of its building, invest in new equipment, and recruit and train new workers for its production lines.

Once loans are available, the Trade Hub's apparel team will regularly follow up with O'sey in person and closely collaborate between international technical experts on the ground and the Trade Hub apparel team, including the Trade Hub office in Abidjan. These team members will need to follow O'sey's progress to become a commercial manufacturer and assist them to become export-ready.

Another major issue facing factories are environmental standards and requirements. In Bouake, for example, there are no water treatment facilities. This automatically disqualifies these industrial areas from meeting modern environmental standards and requirements. One factory—COTIVO—is trying to overcome this issue. Although there is no operational water treatment plant in the region, the basin and pipelines are installed. **A feasibility study must be conducted to determine if the existing facility can be overhauled or if a completely new water treatment facility is necessary.**

Dyeing and finishing departments are also far below international environmental standards, especially in relation to preparing colors in the “color kitchen” of textile factories.

1.5.1 COMPANIES VISITED

1.5.1.1 Association de Couturiers et Modelistes de Côte d'Ivoire (ACMCI)

Mrs. Nadia Drude and Mrs. Gjura Kouadio Emath, representatives of the Association de Couturiers et Modelistes de Côte d'Ivoire (ACMCI), visited the Trade Hub office. It is an informal association of 15 designers who meet semi-regularly. **As they did not provide any information relevant to the Trade Hub's apparel activities, we do not see any partnership opportunities at the moment.**

1.5.1.2 Fédération Ivoirienne des Industries Textile, de l'Habillement et des Accessoires de mode (FITTHA)

Mrs. Karin Tanoh visited the Trade Hub office to represent FITTHA, a federation that represents the processing textile industry. The cotton growing sector in RCI has its own federation. Remarkably, almost all fabric used in the garment sector is imported, as are the yarns that companies use for knitting and weaving. As spinning facilities are closed, this means all imported cotton is unprocessed. Due to this

situation, the Ivorian textile and garment industry is almost completely unable to compete with imports from Asia.

Last year, the supermarket chain Carrefour started operating in RCI, working with three small garment operating facilities to produce children's wear. The AVCA and AVCS plan to contact these three facilities, as they might have the potential to export orders given their ability to follow international standards for Carrefour's orders.

1.5.1.3 Conseil National des Exportations (CNE)

The AVCA and AVCS met Mr. Serge Bombo, the Secretary General of the Conseil National des Exportations (CNE), and Mr. Gouaré Amene, a technical advisor to CNE.

CNE is focusing on seven value chains, one of which is the textile and garment sector. They are preparing the work plan and agreed to share a draft with the AVCA and AVCS to receive an evaluation and recommendations. CNE strongly recommended that the Trade Hub provide AGOA trainings for customs officers to familiarize them with customs regulations, including processing for imported products that are temporarily free.

1.5.1.4 Centre de Promotion des Investissements en Côte d'Ivoire (CEPICI)

The AVCA and AVCS met with CEPICI in order to obtain information about investment incentives provided by GoRCI. Unfortunately, Ms. Zama Alice Florence, who leads the Centre de Promotion des Investissements en Côte d'Ivoire (CEPICI), had neither documentation that detailed policies on foreign investment promotion or partnerships, nor material available regarding foreign investments in neighboring countries. Following the meeting, the Trade Hub was able to obtain this information.

1.5.1.5 Seritex

The AVCA and AVCS met with Mr. Yassine Hassa of Seritex. Seritex conducts following operations in-house:

- Circular knitting
- Dyeing of knitted fabrics
- Digital carrousel printing (3 machines)
- Garment manufacturing
- Embroidery

Though the company has potential to become a successful exporter, significant actions are needed to make them compliant with international standards.

It is recommended that Seritex be split into two separate operations in two locations. The existing location can be utilized for knitting, dyeing and finishing, with a new second location to handle the garment manufacturing operation. The current location needs too many changes to be compliant with international standards, and would consume a substantial amount of money. Plus, it's uncertain whether an international buyer would approve of the facility even after the changes.

The AVCA recommends that Seritex promptly begin the process to find a second location and renovate or build a new facility that meets international standards.

At this time, the Trade Hub should not focus on working with this manufacturer.

1.5.1.6 Pur Coton

The AVCA and AVCS made two visits to Pur Coton. On the first visit, the team met with Mr. Ali Fadiga at the Pur Coton facility in Abidjan. Both the location and production facility do not meet international standards, which Mr. Fadiga understands. Because the Abidjan location does not offer space for further expansion, he decided to shift the majority of production to Bouake—about three and a half hours by car from Abidjan. Bouake was originally the country's textile production center, and, because the sector collapsed during the civil war, more space and buildings have become available.

The main reason for Pur Coton's move stems from the lack of governmental support for SMEs, particularly for SMEs who want to expand their operations. With adequate governmental support, a number of SMEs could grow to become export-ready.

The AVCA and AVCS then drove to Pur Coton's new site in Bouake, which revealed serious flaws and inefficiencies in their production process. Quite simply, everything that could be done incorrectly was being done incorrectly. It seems Mr. Ali Fadiga does not understand how to set up a mass production facility, as the new production site is located right behind his private property in Bouake and is too small to contain any production lines.

At this time, the Trade Hub should not invest any time or energy in this company.

1.5.1.7 O'sey

The AVCA and AVCS visited O'sey, located in a residential area of Abidjan, and met with the owner, Mr. Phillip "Kouame." O'sey started operations five years ago and mainly produces men's shirts and polo shirts. Even without proper training for his workers, O'sey's production has reached an impressive level of quality. Mr. Kouame also consistently expands and reinvests all profits in the company.

Mr. Kouame recently acquired land and started construction of a new building, as the present location has no expansion possibilities and cannot meet international standards—an important requirement for Mr. Kouame, who wants to expand his brand and produce for international buyers. He would like to have the new facility designed and constructed to meet these standards.

The AVCA and AVCS visited the construction site of O'sey's new factory. He has completed the walls, roof, part of the office space, and part of the smaller production line. However, Mr. Kouame is running out of money and cannot completely finish construction.

Mr. Kouame requested help to provide significant training for his workers to meet the quality standards of international buyers and to more efficiently produce garments. He is investigating the possibility of buying new equipment and has received initial offers. Mr. Kouame will need technical assistance to select new equipment for his factory and ensure he does not invest money in unnecessary equipment for his style of garment production.

Mr. Kouame is also open to bringing in experts to support him create the best possible routing in his factory and help him finalize construction to meet internationally required standards for a sewing operation.

The Trade Hub has an excellent opportunity to support O'sey. After O'sey overcomes its financial constraints, the Trade Hub will have a variety of options to help it set up the productions line in an effective and efficient manner.

The Trade Hub's Abidjan-based financial representative will meet with Mr. Kouame to prepare a business plan to start the process to access financing.

1.5.1.8 Ciss St Moise

Ciss St. Moise produces men's fashion shirts and trousers, and is owned by Mr. Cissé, a passionate designer and tailor. His products are high quality and will easily meet international standards. His equipment is quite modern and of much higher standards than other similar operators. The main problem, however, is a lack of space and no room for expansion at the current location.

Mr. Cissé, like Mr. Ali Fadiga, complained that the GoRCI provides no support to SMEs to relocate their manufacturing operation. His facility is not only too small; it is also a potential fire trap.

Mr. Cissé would like to shift toward mass production. He wants to expand his brand, but is also interested in producing for export markets. He is aware that a new location for production will be essential to these goals. If he finds a new location, then Mr. Cissé would be a good candidate to work with the Trade Hub.

The Trade Hub's Abidjan-based financial representative will make an appointment with Mr. Cissé to explore available options for access to finance.

1.5.1.9 Ms Michelle Yakice

Ms. Michelle Yakice has a small production facility producing ladies' fashion dresses. At the same location, she also runs a small training operation for new garment operators. In addition to garment manufacturing, she also has a small traditional weaving operation where she produces a portion of the fabrics used for her fashion dresses.

Production is located in a facility that does not meet international standards, although she runs her overall operation very well. She mainly produces for local markets.

Ms. Yakice should continue her current operations and should not move into mass production, as she does not have the capabilities or staff to handle large-scale production.

1.5.1.10 Pathe'o

Mr. Pathe Ouedraogo is a successful entrepreneur who produces shirts and ladies wear using African prints. He sells these products through a number of shops in both RCI and neighboring countries. Mr. Ouedraogo is well connected in the industry, and his products have been worn by well-known celebrities like Naomi Campbell.

Mr. Ouedraogo would like to take the next step into mass production, but he lacks the necessary space at his current location. His equipment is also outdated, and his workers lack the necessary training. His atelier, like that of Cissé, is small, highly inefficient, and unsafe.

Mr. Ouedraogo noted that the government does not support the private sector. There are no policies in place to offer the much-needed support, such as providing land to construct new professional garment-making facilities.

The Trade Hub's Abidjan-based financial representative will make an appointment with Mr. Ouedraogo to explore available options to finance a move to another production location.

Though his current set up is not suitable for mass production, Mr. Ouedraogo could be a potential partner to the Trade Hub once he builds a new factory or renovates an existing building that meets the required standards.

1.5.1.11 Association for the Promotion of Exports Côte d'Ivoire (APEX-CI)

The Association for the Promotion of Exports in RCI (APEX-CI) is mainly funded through the Trade Hub. The AVCA and AVCS had general discussions with Mr. Gérard Amangoua, Directeur Général Adjoint Marketing, Communication, Développement et Relations Extérieures, on the current situation for exports and the missing support from the government to develop the private sector.

Mr. Amangoua strongly recommended to set up a meeting with Agence pour le Développement et la Compétitivité des Industries de Côte d'Ivoire (ADCI), an AfDB supported project that aims to support the competitiveness of the RCI private sector in general.

1.5.1.12 FTG Bouake

The GoRCI selected Bouake in the 1970s to be the center of RCI's textile industry, given its close location to the country's cotton fields. The government, based on its socialist model, designed and created a large industrial zone for the sector and built a number of large factory buildings.

FTG is one such large, government-owned operation, which does both spinning (ring and open end spinning) and weaving. It uses technology from the 1970s-1990s, mostly from leading European machine constructors. As expected from the government's socialist model, the company only produces a limited variety of products. They can spin only a few yarn counts, and use a limited variety of fabrics.

During the civil war, the factory shut down its operations, but recently reopened. The buildings and machinery are in poor condition, although the current management and workers are doing their best to operate with very limited resources. The changes required to get the factory fully operational are nearly impossible. At a minimum, an immense number of repairs and investments in new technology are needed to help FTG start to become competitive again.

Another challenge is the supply of raw cotton. Factory management stated that access to locally produced cotton is a complicated matter. Nearly 95% of cotton produced in RCI is being exported unprocessed to fulfill export assignments, which means the remaining cotton is generally of poor quality, which majorly impacts the yarn quality and the final end product.

The Trade Hub should not consider FTG as a potential partner.

1.5.1.13 Texa Bouake

Texa Bouake is located in Bouake's textile industrial zone. It is a dyeing, printing and finishing operation.

The factory conducts the following operations:

- Fabric washing
- Continuous fabric dyeing
- Screen printing up to eight colors
- Various finishing treatments (e.g., color fastness, adding softeners)
- Mercerizing

Texa Bouake's factory building and machinery are in better shape than those of FTG. Even though it stopped operations during RCI's political crisis and its European technology is mostly outdated, its factory has been well maintained and many of its machines are operational. When the AVCA and AVCS visited, the factory was operating at about half capacity, mostly printing fabrics for the local market.

The factory has large potential capacity, but will need major investments to compete with international firms. Texa Bouake needs to invest in:

- A water treatment facility, as one is not currently available
- A laboratory for preparing recipes for dyes and fabric treatment
- A laboratory for testing fabrics
- A kitchen for mixing dyes
- New technology to reduce consumption of water, energy and chemicals by at least 50% compared to the current amount.
- Using high quality dyes and chemicals to meet international standards required by export markets.

Currently, Texa Bouake's converter is unable to meet internationally required quality standards. More importantly, the factory's environmental standards are unacceptable for any foreign buyer, even those from Asia. **Therefore, Texa is not a potential partner for the Trade Hub.**

1.5.1.14 UTEXI

UTEXI's factory is located in Dimbokro, halfway between Abidjan and Bouake—a good location two hours from Abidjan by car on acceptable roads. UTEXI's fabrics are sent to Bouake for printing and are sold in the local and regional markets. It has a large complex for producing yarns and grey fabrics. The factory does traditional spinning and has an open-end spinning facility in a separate building on the same grounds. However, due to decisions by the socialist government, the spinning department is only capable of producing a limited number of yarn counts, which limits the variety of fabrics produced. The factory also has a large weaving capacity.

UTEXI is in a similar situation to FTG, except its factory is in better shape and the equipment is well-maintained. UTEXI closed during the civil war in the early 2000s, but recently reopened. UTEXI's management is working closely with its mechanics to operationalize its equipment, most of which are from the 1980s-1990s. However, there are limited financial resources for the spare parts needed to make all machines operational.

Management strongly criticized the local cotton supply. The availability of locally produced cotton is very limited, so most of their processed cotton must be imported. UTEXI purchases cotton through cotton traders, who require higher prices than purchasing directly from farmers or cooperatives in RCI. This puts UTEXI at a disadvantage to other local fabric manufacturers and, in particular, fabric traders.

UTEXI could be a potential partner, if large investments are made. In particular, for spinning, UTEXI should expand the range of yarn counts it produces, as this would allow UTEXI to produce a wider range of fabrics for various purposes.

As this factory has potential for growth, the ACVA and ACVS strongly recommend the Trade Hub remains in contact with UTEXI and regularly follows up with its management.

1.5.1.15 COTIVO Agboville

COTIVO Agboville is another large textile mill, located 90 minutes from Abidjan by car. This factory is fully integrated, from spinning to dyeing and finishing in place.

The factory was constructed between 1980 and 1990, using mostly European technology to produce jean fabrics. Until the start of the civil war, Wrangler Jeans was COTIVO's main partner. COTIVO was closed for a number of years during the civil war, but has since started operations again. They recently started producing fabrics for the local market, mainly for industrial batik printing and jean fabrics.

The AVCA and AVCS met with the management, who voiced many common problems as other Ivorian factories. They discussed the difficulties and barriers that the sector faces regarding the supply of local cotton and the lack government support to reactivate the textile industry, even though these factories are government-owned.

Although the factory's building and equipment are in very good shape—especially considering the factory was closed for a number of years— COTIVO still needs investments for it to become competitive again and attract a potential investor or partner.

Areas for COTIVO to improve:

- Laboratory services for testing yarns and fabrics
- Preparation kitchen and laboratory for dyes and chemicals
- Water treatment (there is a basin available)
- Dyeing and finishing equipment, as the current equipment inefficiently consumes energy, water, dyes and chemicals

Other production departments will need modifications and upgrades too, but these may be less urgent, particular in the factory's current stage of operation.

The Trade Hub should regularly follow up with COTIVO on its developments and investigate whether Wrangler is interested in returning to RCI to work with COTIVO.

The Trade Hub should also consider a deeper engagement with COTIVO. The exact nature of potential support will need to be defined in discussions between the Trade Hub offices in RCI and in Accra.

Contacts in RCI:

LISTE DES ACTEURS DU SECTEUR TEXTILE ET HABILLEMENT					
#	PUBLIC SECTOR	Contact	positions	Tel	E-mail
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4	Conseil National des Exportations	M. BOMBO Serge martial	Secetaire General	00 225 20 32 96 91/ 75 39 38 38	secretariatgeneral@cne-ci.org
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6	Ministere del'entrepreneurat National, de l'artisanat et de la promotion des PME	Traore mamadou	Sous-Directeur	00 225 05 06 62 91	traoe.m1960@gmail.com
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9	COTIVO	Cisse Hamed Fode	DG	00 225 09 36 35 45	cissefode.afc@gmail.com
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3	Federation ivoirienne des industriels du textile et de l'habillement (FIITHA)	Karine TANO	Presidente	00 225 09 44 72 27	ek_tanoh@hotmail.com

2. ANALYSIS AND RECOMMENDATIONS

Firm-specific recommendations are bolded throughout this Mission Report. More general analysis and recommendations are included below:

In Ghana, two urgent priorities to advance the apparel sector are the allocation of space by MOTI for DTRT and AGAM. In May and June, 2016, MOTI allocated space to AGAM, though MOTI still needs to refurbish the space. AGAM must prepare a list of office equipment needed, which the Trade Hub will purchase. MOTI made little progress to allocate space to DTRT since the previous Mission. The real boost to the textile industry must come through foreign direct investment (FDI), in particular for vertical operations. A lack of available service factory space is a key hurdle to facilitating investments, in particular foreign direct investment, and to expanding existing players. The AVCA and AVCS will continue to follow up with Mr. Gerald Nyarko-Mensah to help advance these efforts, though the timeline for progress is not clear.

In RCI, it has become clear that most of the companies in the apparel sector are unprepared for mass production. Most producers are working at a workshop level only. The two producers that appear to have potential to achieve mass production are O'sey and Seritex. To meet international standards, Seritex would need to find a second location and essentially build a new factory. The Trade Hub apparel team has decided to focus much of its efforts in RCI on engaging O'sey. O'sey is working to become a successful exporting company. It understands that constructing a new factory is essential to this goal. Construction is underway and O'sey is eager to work closely with the Trade Hub. The Trade Hub should continue to engage O'sey in order to identify the appropriate means of support.

It also became clear over the course of this Mission that the Trade Hub should visit more factories in RCI. However, we also acknowledge that the Trade Hub has limited resources and can only deliver a certain level of support.

Another relevant sector—which is beyond the scope of this project—is the cotton growing sector. RCI is mainly producing traditional cotton, even though market demands are for bio and organic cotton types. A new project should be developed to help RCI convert from traditional cotton cultivation and prepare them to produce the higher demanded bio and organic types.

3. FOLLOW UP

3.1 UPCOMING ACTIVITIES

3.1.1 GHANA

- Though Mission 2 primarily focused on RCI, it also reinforced the need for the AVCA and AVCS to continue to follow up with Mr. Gerald Nyarko-Mensah to help advance efforts to provide more factory space. In the meantime, DTRT found a temporary solution by renting the ground floor space at Rim Artex, its neighboring garment company.

3.1.2 CÔTE D'IVOIRE

- The AVCS and AVCA will receive a short update every week on activities conducted by the Trade Hub office in Abidjan.
- Daouda Diomande will gather a clear overview of the salary structures within the textile and garment industry, including net salaries, social benefits like transport and medical care, worker's contribution to social standards and employer's contribution on top of net salaries.
- The AVCS and AVCA will determine the exact costs for m³ of water and kWh of electricity.
- The Trade Hub's Abidjan-based financial representative will make an appointment with Mr. O'sey to prepare a business plan and overview of financial needs to finalize building construction and sewing equipment costs.
- In addition to financing needs, the Trade Hub will continue to engage O'sey to identify appropriate means of support. Possible forms of support include assisting with factory set up to meet international standards, assisting with quality standards, and supporting a training facility for new workers.
- Clearer information should be gathered regarding import duties for importing new and secondhand sewing equipment.
- The AVCA and AVCS will work with the Trade Hub's Abidjan office to investigate to what degree local customs authorities are aware of the AGOA and how much training is needed to ensure the smooth export of fabrics and accessories.
- The AVCS and AVCA will investigate if there are any incentives from the GoRCI to train new workers, and which packages or incentives the government offers for investments (such as from the RCI Investment Promotion Agency).
- The Trade Hub's Abidjan-based financial representative will make appointments with Mr. Patheo, Mr. Cisse Moussa, Mr. Ali Fadiga and COTIVO's general manager.
- The Trade Hub's Abidjan-based value chain expert will prepare a spreadsheet with all relevant industry contacts that will be updated as needed.
- The Trade Hub's Abidjan-based value chain expert should contact Mrs. Yakice Michelle regarding her participation in the SheTrades event in Istanbul, Turkey from September 1-3, 2016.